



# Scientific Equipment

## *Why Trade Matters*

### INDUSTRY SECTOR REPORT

**General information on exports.** The United States is the largest exporter of scientific equipment, totaling \$19.8 billion in 2000. Exports of scientific equipment have increased 58 percent over the past five years.

**Market development.** The global scientific equipment market is worth \$100

billion. U.S. scientific equipment exporters would benefit from market opening initiatives, particularly tariff reductions that might result from a new World Trade Organization round. Free Trade Area of the Americas negotiations would offer the opportunity to eliminate tariffs on scientific equipment exported to Latin America, one of the fastest-growing markets. The United States exported \$2.7 billion in scientific equipment to Latin America in 2000.

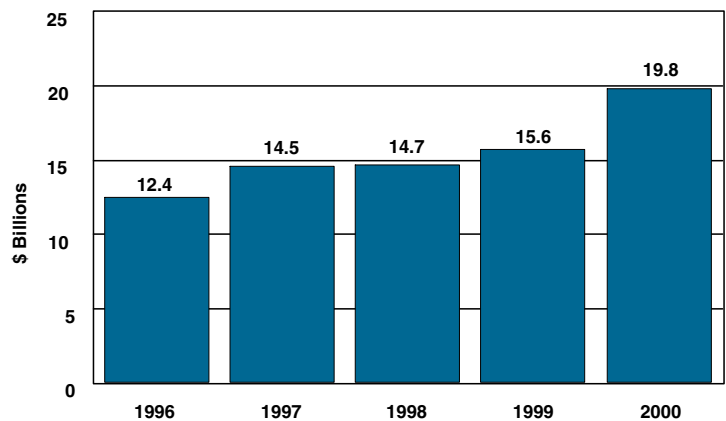
**Tariffs.** Tariffs on scientific equipment can be as high as 25 percent in many Latin American countries and up to 40 percent in some East Asian countries.

**Nontariff barriers.** U.S. exports of scientific equipment are obstructed by cumbersome customs clearance and certification requirements in many markets.

**Small and medium-sized enterprises.** Ninety percent of all U.S. scientific equipment producers are small or medium-sized enterprises.

**Research and development.** Progressive advances in scientific equipment are critical for the development of treatments for diseases such as AIDS and hepatitis. These advances in

U.S. Exports of  
Scientific Equipment, 1996–2000





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instrumentation, made possible through heavy investment in R&D, can only be sustained by spreading their cost over a greater sales volume through market expansion. Consequently, foreign markets are increasingly important to R&D-based products such as scientific equipment.

**Employment opportunities.** The scientific equipment industry employs more than 256,000 people throughout the United States.

**Key producing states.** California, Texas, Massachusetts, New York, New Jersey, Pennsylvania, Washington

**The sector.** The scientific equipment industry consists of control instruments used in production facilities, analytical laboratory instruments, and electrical test and measuring instruments used in the semiconductor and telecommunications industries.

## BENEFITS AND EFFECTS FROM PREVIOUS TRADE AGREEMENTS:

- ▶ NAFTA has greatly increased the access of U.S. scientific equipment manufacturers to the Canadian and Mexican markets. While some scientific equipment receives duty-free access under the Information Technology Agreement, several important markets do not participate in the ITA.